

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

**SOUTH AUSTIN COALITION COMMUNITY
COUNCIL,**

v.

COMMONWEALTH EDISON COMPANY,

Complaint as to closing of service Office at Austin
Bank Service Center in Chicago, Illinois

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: No. 02-0706
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JOINT PRE-TRIAL MEMORANDUM

South Austin Coalition Community Council (“SACCC”) and Commonwealth Edison Company (“ComEd”), by and through their attorneys, and for their Joint Pre-Trial Memorandum submitted pursuant to the Illinois Commerce Commission’s April 16, 2003 Order, respectfully state as follows:

I. Uncontested Facts

1. ComEd formerly operated a number of local walk-in payment and customer service centers at which ComEd customers could pay their electric bills, discuss their bills with ComEd representatives, receive light bulbs and engage in various other activities relating to their electric accounts. Customers also could use the centers’ telephones to conduct business relating to their electric accounts with ComEd representatives not physically present at the centers.

2. When ComEd first established its walk-in payment and customer service centers, ComEd did not have a centralized computer system. ComEd manually calculated, invoiced and mailed bills to its customers from its various centers.

3. ComEd subsequently implemented a centralized computer system and other technological advances, including advances in telecommunications services.

4. Over time, the number of customers who utilized ComEd's walk-in payment and service centers decreased.

5. In the late 1980's, ComEd closed all but twenty-three of its centers.

6. In 1986, after ComEd's plan to close its Chicago Central Division headquarters became public, the SACCC, a grass-roots, neighborhood organization that operates on the west-side of Chicago in the Austin area, filed a complaint with the Illinois Commerce Commission ("Commission") opposing the closure of the walk-in payment and customer service component of the Chicago Central Division facility.

7. As a result of negotiations between ComEd and the SACCC, ComEd agreed to open a new walk-in payment and service center at the Austin Bank located at 5645 West Corcoran (the "Austin Center"). Thereafter, the SACCC's complaint was dismissed as there was "no remaining controversy arising from the allegations made in the Complaint".

8. At the Austin Center, like all of ComEd's other centers, ComEd customers could pay their electric bills without incurring costs such as postage or currency exchange fees (although they did have to travel to the center) and payments would be credited the same day they were made. Documents could be given to and received from ComEd.

9. The Austin Center, which was approximately 50 by 50 feet, was located in the eastern section of the Austin Bank, and the Bank had an armed guard on the premises. It consisted of an open space with 6 desks, office equipment, a waiting area with benches, a bill payment counter and an upstairs supervisor's office.

10. In March 1996, ComEd closed fourteen of its remaining twenty-three centers, leaving nine centers in operation. ComEd also scaled back staffing at all but one of those nine centers. Specifically, ComEd removed bulb clerks from all centers except the Austin Center. At the other eight centers, bulb distribution duties were assumed by cashiers. At the Austin Center, there was inadequate space to store light bulbs near the cashiers. Accordingly, the bulb clerk was not removed in 1996. However, following the widespread growth in the availability of reasonably priced light bulbs, in May 2001, ComEd wholly discontinued its light bulb distribution services.

11. In 1996, addition to removing bulb clerks from eight of its nine remaining centers, ComEd also removed customer interview representatives (“CIRs”) from all centers except the Austin Center. The functions formerly performed by CIRs located at the centers, which ranged from issuing duplicate bills to setting up payment plans, were thereafter handled by ComEd’s centralized call-in center, accessible by calling 1-800-EDISON1.

12. After March 1996, the sole function of eight of ComEd’s nine remaining centers was to process payments and, for a time, distribute light bulbs.

13. In late 1996 or early 1997, there was a community meeting regarding the Austin Center. Members of the Austin community and representatives of ComEd attended the meeting.

14. As a result of certain discussions between ComEd and the SACCC, ComEd agreed to: (1) staff the Austin Center with three CIRs and a supervisor; (2) supplement the CIR staff to accommodate any anticipated increases in customer usage of the Austin Center; (3) install up to five telephones with direct contact to ComEd’s Customer Service Representatives (“CSRs”); and (4) participate in quarterly meetings to review data regarding

activities at the Austin Center. These agreements are memorialized in a letter executed by the parties in February 1997.

15. No quarterly meetings occurred after 1998.

16. Between 1996 and 2000, customer usage of ComEd's nine remaining centers continued to decline. Payment transactions at the centers decreased between 8% and 48%.

17. Between March 2001 and March 2002, ComEd closed the eight centers other than Austin.

18. Between 1996 and 2001, there was an approximately 53% decrease in payment transactions at the Austin Center. In 1996, there were 242,244 payment transactions, and in 2001, there were 113,064 such transactions.

19. During the same time period, there was an approximately 75% decrease in customer interviews with CIRs at the Austin Center. In 1996, there were 74,912 customer interviews with CIRs, and in 2001, there were 18,946 such interviews.

20. Customers who went to the Austin Center and received assistance by using one of the telephones to call ComEd's Customer Care Center did not utilize CIRs are not counted as having seen a CIR.

21. In 2001, almost 48% of all payments made at the Austin Center were made by check, and 23% of those payment checks were deposited in the Austin Bank drop box rather than being presented to a cashier.

22. Between 2001 and October 2002, the Austin Center was the only center where the cashiers had time to process their night drop deposit payments during normal business

hours. At times, the Austin Center cashiers also processed the night drop deposit payments received at other centers.

23. At times, when activity at the Austin Center was extremely slow, Austin Center cashiers traveled to other centers where additional assistance was needed.

24. CIRs at the Austin Center sometimes volunteered to work in the cashiering section of the center processing night deposits.

25. ComEd closed the Austin Center on October 11, 2002, and since that date has had no walk-in office where customers can hand-deliver documents to ComEd. Documents can be mailed or faxed to ComEd.

26. When ComEd announced the closing of the Austin Center, ComEd specifically identified the authorized agents located in the Austin area by posting a notice on the door of the Austin Center.

27. After announcing it would close the Austin Center, ComEd met to discuss the closure with the SACCC.

28. Among other things, at that meeting, ComEd offered to take suggestions from the SACCC regarding area businesses that would make good authorized payment agents. The SACCC did not recommend possible authorized payment agents to ComEd.

29. ComEd established three new authorized payment agents in the Austin area prior to closing the Austin Center. One of those new agents is available to accept payments twenty-four hours a day.

30. At the time the Austin Center was closed, there were seven available authorized payment agents located in the Austin area.

31. After the closure of the Austin Center, some of the ComEd employees who staffed the center were reassigned; others retired.

32. Currently, approximately 72% of ComEd's customers pay their electric bills by mail.

33. ComEd customers who pay their electric bills by mail must pay postage. Customers who pay by mail using a personal check may have checking accounts and may pay fees, if any are charged, to maintain their accounts and/or obtain checks. Customers who pay by mail using a money order must pay the costs associated with using a money order.

34. ComEd receives approximately 8% of its payments through direct debits or internet payments. Both payment by direct debit and internet billing/payment by ComEd are free of charge. Payments also may be made through authorized agents and other methods, including by credit card, ATM and e-check by telephone.

35. Through August 2003, ComEd customers who paid their electric bills through authorized payment agents paid the agent a fee of 50 cents. The current authorized agent fee is \$1.00.

36. ComEd customers who pay their electric bills through unauthorized agents typically are charged a \$1.00 fee by the vendor.

37. ComEd customers who pay their electric bills using the ATM kiosks found at certain Dominick's stores pay a fee of \$1.00 per transaction, which goes to the vendor.

38. ComEd customers who pay their electric bills with a credit card pay a fee of \$3.50 per transaction, which goes to the vendor.

39. ComEd customers who pay their electric bills using the check by phone service pay a fee of \$3.50 per transaction, which goes to the vendor.

40. Authorized agents accept full or partial payments in the form of cash, checks, money orders or travelers' checks. Since 1992, ComEd's authorized agents have used the same terminal-based processing system as the system used at ComEd's former walk-in payment centers.

41. Authorized agents are directly connected to ComEd's cash system, which provides payment information to ComEd's Customer Information Management System that posts payments to customer accounts.

42. Customers do not incur a late fee if they pay their electric bills through authorized agents on the dates the bills are due.

43. Per agreements with ComEd, authorized agents are required to provide ComEd customers with telephones to call ComEd.

44. In the fourth quarter of 2003, ComEd expects to be able to provide customers with access to an enhanced authorized agent payment network, which will process payments made through authorized agents even more quickly than the existing system and will automatically notify ComEd when a payment is made on an account in connection with which a disconnection notice has been sent out. The new system also will automatically issue a work order to restore power when payment is posted to an account in connection with which power previously was cut. This will eliminate the need for customers to call ComEd to have their power restored after paying their electric bills.

45. A payment made through an entity other than an authorized payment agent may not be credited to a customer's account on the same day the payment is made.

46. Some customers may not know whether a payment agent is an "authorized payment agent" or know the difference between paying their electric bills through an authorized

as opposed to an unauthorized agent. Customers can obtain such information by calling 1-800-EDISON1, ComEd's Customer Care Center.

47. CSRs who staff ComEd's Customer Care Center have the same authority to resolve customer issues as did the CIRs that staffed the walk-in centers.

48. CSRs are available for business from 7:00 a.m. to 10:00 p.m., Monday through Friday, and from 7:00 a.m. to 5:00 p.m. on Saturdays. Also, for emergencies (*i.e.*, service outages), CSRs are available 24 hours a day, 7 days a week. ComEd's automated services are available 24 hours a day, 7 days a week.

49. The Austin Center was open during the week, 8:30 a.m. to 5:00 p.m. It was closed on weekends and holidays.

50. In 2002, ComEd's Customer Care Center handled over 8 million calls. Between January and July 2003, over 5.5 million calls have been handled.

51. On average, calls are answered in less than 18 seconds. With respect to a customer who requests to speak with a CSR, the time the customer must wait before being connected to a CSR begins to run after the customer makes the appropriate menu selections.

52. ComEd employs CSRs fluent in Spanish, and ComEd contracts with a foreign language translation service to assist customers who speak other languages.

53. The Customer Care Center is capable of handling calls from hearing or speech-impaired customers.

54. ComEd monitors telephone calls received by its Customer Care Center and evaluates the quality of service provided by each of its CSRs on a monthly basis. ComEd addresses the incorrect call handling procedures or errors that it detects, including taking

appropriate disciplinary measures, and also addresses any issues its customers may raise regarding such matters.

55. ComEd's CSR are authorized to resolve the payment related issues that ComEd customers may raise. They are not supposed to tell a customer to call the ICC if the customer disputes the information they provide. Instead, CSRs are instructed to transfer the customer's call to a supervisor who may, if necessary, further escalate the issue.

56. In 2002, the SACCC filed a formal complaint with the Commission protesting the closure of the Austin Center. The SACCC's protest is based on, among other things, the closure's alleged impact on Austin area customers who the SACCC describes as "special needs" customers.

57. One of the services the SACCC provides to those ComEd customers it serves is assistance with applications for the Low Income Home Energy Assistance Program ("LIHEAP"), including LIHEAP Emergency Service ("LIHEAP ES"). The SACCC also provides such ComEd customers with assistance in following-up on applications and obtaining reconnections when that is possible.

58. In Chicago, applications for LIHEAP ES formerly required the use of governmental assistance ("GAP") forms.

59. The Community Economic Development Association of Cook County ("CEDA") receives and processes LIHEAP ES applications for the Illinois Department of Commerce and Economic Development ("DCEO").

60. In general, to process an application for either the regular LIHEAP or LIHEAP ES programs, an applicant needs a full electric bill. To complete the LIHEAP ES

process, CEDA also needs information from ComEd regarding the minimum amount necessary to restore service.

61. If customers misplace their bills, they can obtain duplicate copies by calling 1-800-EDISON1.

62. Once CEDA receives a LIHEAP ES application from one of its intake agencies, CEDA communicates directly and electronically with ComEd to get any further information it requires.

63. The SACCC is a CEDA intake agency.

64. The SACCC is the only one of CEDA's 98 intake agencies that continues to request that ComEd supply it with GAP forms.

65. ComEd and the DCEO are in the process of developing an on-line, real-time system that will enhance and improve the LIHEAP application process. If the system can be implemented, intake agencies like the SACCC will have real-time, ready access to all of the information necessary to process a LIHEAP ES application, and the DCEO will relay grant information directly to ComEd.

66. For the year 1999, Unicom's revenues were \$6,847,947,000, expenses were \$5,661,507,000 and O&M expenses were \$2,427,599,000.

67. For the year 2001, Exelon's revenues were \$14,918,000,000, expenses were \$11,556,000,000 and O&M expenses were \$4,394,000,000.

68. Federal Communication Commission reports include information regarding the percentage of residential households in Illinois having a telephone as of March 2003. The referenced information is set forth in Attachment 1 hereto.

69. Federal Communication Commission reports include information regarding the national average residential telephone penetration rate as of March 2003, the penetration rates for various household income levels and the percentage of residents having telephones available for their use. The referenced information is set forth in Attachment 2 hereto.

70. ComEd's Customer Care Center can be accessed by calling 1-800-EDISON1, which is a toll-free call that can be made, without charge, from any pay telephone.

II. Stipulations

1. The SACCC is not relying on the negotiations between the parties that took place in 1986 or ComEd's initial opening of the Austin Center as part of its cause of action in this case.

III. Uncontested Issues

1. To prevail on its Complaint, the SACCC must prove that the closure of the Austin Center violated the Public Utilities Act (the "Act").

IV. Complainant's Contested Issues

1. Whether the Illinois Commerce Commission has jurisdiction over SACCC's complaint against ComEd's closing of the Austin Center.

2. Whether ComEd's closing the Austin Center violates the Act.

3. Whether the agreement ComEd signed with SACCC in February 1997 required ComEd to keep the Austin Center open, whether ComEd breached that agreement and whether the Illinois Commerce Commission has jurisdiction to enforce this agreement.

V. Respondent's Contested Issues

1. Whether ComEd's managerial decision to stop receiving payments from and discussing payment-related issues with Austin area customers at a walk-in payment center is subject to review by the Commission.

2. Whether ComEd may be required to receive payments from and discuss payment-related issues with Austin area customers at a walk-in payment center even though ComEd does not receive payments from or discuss payment-related issues with customers in any other parts of its service territory at walk-in payment centers.

3. Whether ComEd had any obligation, under the Act or otherwise, to consult with or obtain approval from the SACCC prior to closing the Austin Center.

4. Whether ComEd violated the Act by closing the Austin Center.

5. Whether the Illinois Commerce Commission has jurisdiction over SACCC's complaint against ComEd.

6. Whether the letter ComEd and the SACCC executed in February 1997 constitutes an enforceable contract between the parties and if so, whether the Illinois Commerce Commission has jurisdiction to enforce that contract.

7. Whether the letter ComEd and the SACCC executed in February 1997 requires ComEd to keep the Austin Center open in perpetuity.

8. Whether ComEd breached the terms of the letter ComEd and the SACCC executed in February 1997?

9. Whether ComEd's operation of the Austin Center constitutes the provision of a tariffed service.

VI. Complainant's Witnesses

Complaint offers the direct testimony of eleven witnesses and the rebuttal testimony of two witnesses.

Bob Vondrasek is the Executive Director of South Austin Coalition Community Council. He will testify about (1) the importance of the Austin Center for customers of ComEd in a variety of situations, (2) how a walk-in center led to better and fairer results for customers of ComEd in connection with many different customer service problems, (3) the additional costs and problems customers incurred after the Austin Center closed and it stopped receiving bill payments (4) the importance of being able to give and receive documents to ComEd at a walk-in center; this is especially important in connection with customers without service who are applying for LIHEAP emergency service, and (5) the minimal cost savings that closing the Austin Center yielded to ComEd, especially in terms of the total costs of the ComEd system. On rebuttal, Mr. Vondrasek will testify about (1) the workings of the Austin Center (2) processing LIHEAP Emergency Service applications and follow-up on those applications (3) ComEd's proposal to close the Austin Center in 1996 or 1997, the communities response, meeting, negotiations and the agreement reached by SACCC and ComEd in February (4) the events leading up to the Austin Center's closing in 2002, and (5) the adequacy of the 1-800-Edison-1 system.

Reverend Elizabeth Bynum is co-chair of SACCC's Utilities Committee and one of the people at SACCC who processes LIHEAP applications. She will testify about (1) the importance of a ComEd local office, such as the Austin Center, to all customers of ComEd but particularly "special needs" customers, (2) the difficulty customers, especially "special needs" customers, have in resolving customer service problems with ComEd without a walk-in office

(3) the fact that low-income people are not all that likely and much less likely than the typical ComEd customer to have a telephone in the home, (4) the processing of LIHEAP applications, and (5) ComEd's staffing levels at the Austin Center over the period 1998-2002. On rebuttal, Reverend Bynum will testify about how customers were served by ComEd at the Austin Center and waits by customers to see a ComEd CIR.

Claudette Gibson will testify about a customer service problem she experienced with ComEd and the currency exchange where she paid her bill.

Leslie Barnes will testify about a customer service problem she had with ComEd in her attempts to restore her electric service.

Anne Teague will testify about her possible overcharging by a currency exchange when she paid a bill there and ComEd's investigation of the complaint she made at the Chicago City Council as well as the difficulty in determining whether a currency exchange is an "authorized agent" of ComEd.

Arelecia Reynolds will testify about a customer service problem with ComEd.

Bonnie Frazier, a customer of ComEd, will testify about the ease of paying bills and doing business with ComEd at the Austin Center as compared to the 1-800-Edison-1 system.

Isaac Carothers is a Chicago Alderman. He will testify about the importance of a ComEd walk-in customer service center to the community and people he serves.

Linda McNutt, a customer of ComEd, will testify about the good service she received at the Austin Center as well as the contrary experience with the 1-800-Edison-1 system.

Rhonda Farley will testify about the difficulties she faced when she presented a customer service problem to the 1-800-Edison-1 system and compare this with her experience at the Austin Center.

Donald McMorris is a case manager at Diane's Community Shelter. He will testify about the difficulties he had assisting a client, who is a customer of ComEd, with a LIHEAP application after the closing of the Austin Center and compare this with his experiences when the Austin Center was open.

VII. Respondent's Witnesses

Respondent offers the testimony of three witnesses, Mark Falcone, Nancy Biondo and Rene Gonzales.

Mr. Falcone is Director of Revenue Management for Exelon Energy Delivery. (ComEd is a subsidiary of Exelon Energy Delivery.) Mr. Falcone will testify about (i) the need for walk-in payment centers when ComEd did not have centralized or automated systems, (ii) the declining necessity and use of walk-in payment centers as a result of technological advances, enhanced efficiencies, increased alternatives and the benefits and flexibility of ComEd's Customer Care Center, (iii) the superiority of ComEd's current and varied methods of receiving payments and discussing/resolving payment-related issues with customers throughout its service territory; (iv) the consolidation and periodic closure of the walk-in centers, and (v) the closure of the Austin Center. Mr. Falcone also will testify about the cost savings resulting from the closure of ComEd's increasingly inefficient walk-in centers, including the cost savings resulting from the closure of the Austin Center.

Ms. Biondo is the former Senior Administrator for Exelon Energy Delivery's Payment Processing Department. Ms. Biondo will testify about operations at and the declining usage of the Austin Center from 2001 until the center closed in October 2002, the authority of CIRs at the Austin Center, and ComEd's authorized agent program.

Mr. Gonzales is Senior Administrator of Revenue Management for Exelon Energy Delivery. Mr. Gonzales will testify about the administration of energy assistance programs, in particular, the LIHEAP program and the LIHEAP ES program; the document required to initiate a LIHEAP or LIHEAP ES application, and the Government Assistance Program (GAP) forms formerly used in the LIHEAP ES process.

VIII. Complainant's Suggested Disposition of Issues and Requested Relief

1. The Illinois Commerce Commission has jurisdiction over SACCC's Complaint.
2. ComEd's closing of the Austin Center violated the Public Utilities Act.
3. ComEd is directed to reopen the Austin Center or a comparable center to serve customers of ComEd on a walk-in basis.
4. The February 1997 agreement signed by ComEd requires ComEd to maintain the Austin Center or a comparable center.
5. ComEd is directed to reopen the Austin Center or a comparable center to serve customers of ComEd on a walk-in basis.

IX. Respondent's Suggested Disposition of Issues and Requested Relief

1. ComEd recommends that the Commission find that it has no jurisdiction over ComEd's managerial decision to stop receiving payments from and discussing payment-related issues with Austin area customers at a walk-in payment center.
2. ComEd recommends that the Commission find that it may not require ComEd to receive payments from and discuss payment-related issues with Austin area customers at a walk-in payment center when ComEd does not receive payments from or discuss payment-

related issues with customers in any other parts of its service territory at walk-in payment centers.

3. ComEd recommends that the Commission find that it has no jurisdiction over the SACCC's Complaint.

4. ComEd recommends that the Commission find that the Act does not require or permit ComEd to give one group of customers preferential treatment and therefore does not require or permit ComEd to conduct its business operations in one area differently than it conducts its business operations in another area because of the preferences of one group of customers.

5. ComEd recommends that the Commission find that the parties' February 1997 letter is not an enforceable contract. Alternatively, ComEd recommends that the letter does not require ComEd to keep the Austin Center open in perpetuity, that the Commission find that ComEd did not breach the terms of the letter, and/or that the Commission does not have jurisdiction to enforce the letter.

6. ComEd recommends that the Commission find that ComEd did not violate the Act by closing the Austin Center.

7. ComEd recommends that the Commission dismiss the SACCC's complaint with prejudice and grant ComEd such further relief as the Commission deems just and proper.

Dated: December 8, 2003

Respectfully submitted,

SOUTH AUSTIN COALITION COMMUNITY
COUNCIL

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Respectfully submitted,

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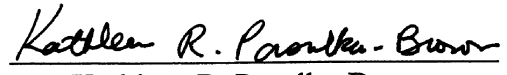
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CERTIFICATE OF SERVICE

I, Kathleen R. Pasulka-Brown, do hereby certify that on December 8, 2003, a copy of the foregoing Joint Pre-Trial Memorandum was served by e-mail, from 321 North Clark Street, Chicago, Illinois 60610 addressed to:

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